

APPENDIX A

The pertinent provisions of the Natural Gas Act of 1938, c. 556, 52 Stat. 821, et seq. (15 U. S. C. Sec. 717) are as follows:

Sec. 1. (a) As disclosed in reports of the Federal Trade Commission made pursuant to S. Res. 83 (Seventieth Congress, first session) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

(b) The provisions of this chapter shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural

gas. June 21, 1938, c. 556, Sec. 1, 52 Stat. 821.

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Sec. 7. (a) Whenever the Commission, after notice and opportunity for hearing, finds such action necessary or desirable in the public interest, it may by order direct a natural-gas company to extend or improve its transportation facilities, to establish physical connection of its transportation facilities with the facilities of, and sell natural gas to, any person or municipality engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public, and for such purpose to extend its transportation facilities to communities immediately adjacent to such facilities or to territory served by such natural-gas company, if the Commission finds that no undue burden will be placed upon such natural-gas company thereby: **Provided,** That the Commission shall have no authority to compel the enlargement of transportation facilities for such purposes, or to compel such natural-gas company to establish physical connection or sell natural gas when to do so would impair its ability to render adequate service to its customers.

(b) No natural-gas company shall abandon all or any portion of its facilities

subject to the jurisdiction of the Commission, or any service rendered by means of such facilities, without the permission and approval of the Commission first had and obtained, after due hearing, and a finding by the Commission that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the present or future public convenience or necessity permit such abandonment.

(c) No natural-gas company or person which will be a natural-gas company upon completion of any proposed construction or extension shall engage in the transportation or sale of natural gas, subject to the jurisdiction of the Commission, or undertake the construction or extension of any facilities therefor, or acquire or operate any such facilities or extensions thereof, unless there is in force with respect to such natural-gas company a certificate of public convenience and necessity issued by the Commission authorizing such acts or operations: **Provided, however,** That if any such natural-gas company or predecessor in interest was bona fide engaged in transportation or sale of natural gas, subject to the jurisdiction of the Commission, on February 7, 1942, over the route or routes or within

the area for which application is made and has so operated since that time, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission within ninety days after February 7, 1942. Pending the determination of any such application, the continuance of such operation shall be lawful.

In all other cases the Commission shall set the matter for hearing and shall give such reasonable notice of the hearing thereon to all interested persons as in its judgment may be necessary under rules and regulations to be prescribed by the Commission; and the application shall be decided in accordance with the procedure provided in subsection (e) of this section and such certificate shall be issued or denied accordingly: **Provided, however,** That the Commission may issue a temporary certificate in cases of emergency, to assure maintenance of adequate service or to serve particular customers, without notice or hearing, pending the determination of an application for a certificate, and may by regulation exempt from the requirements of this section temporary

acts or operations for which the issuance of a certificate will not be required in the public interest.

(d) Application for certificates shall be made in writing to the Commission, be verified under oath, and shall be in such form, contain such information, and notice thereof shall be served upon such interested parties and in such manner as the Commission shall, by regulation, require.

(e) Except in the cases governed by the provisos contained in subsection (c) of this section, a certificate shall be issued to any qualified applicant therefor, authorizing the whole or any part of the operation, sale, service, construction, extension, or acquisition covered by the application, if it is found that the applicant is able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of this chapter and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, sale, operation, construction, extension, or acquisition, to the extent authorized by the certificate, is or will be required by the present or future public convenience and necessity; otherwise such application shall be denied. The Commission shall have

the power to attach to the issuance of the certificate and to the exercise of the rights granted thereunder such reasonable terms and conditions as the public convenience and necessity may require.

(f) The Commission, after a hearing had upon its own motion or upon application, may determine the service area to which each authorization under this section is to be limited. Within such service area as determined by the Commission a natural-gas company may enlarge or extend its facilities for the purpose of supplying increased market demands in such service area without further authorization.

(g) Nothing contained in this section shall be construed as a limitation upon the power of the Commission to grant certificates of public convenience and necessity for service of an area already being served by another natural-gas company. As amended Feb. 7, 1942, c. 49, 56 Stat. 83.

Sec. 19. (a) Any person, State, municipality, or State Commission aggrieved by and order issued by the Commission in a proceeding under this Chapter to which such person, State, municipality, or State commission is a party may apply for a rehearing within thirty days after the is-

suance of such order. The application for rehearing shall set forth specifically the ground or grounds upon which such application is based. Upon such application the Commission shall have power to grant or deny rehearing or to abrogate or modify its order without further hearing. Unless the Commission acts upon the application for rehearing within thirty days after it is filed, such application may be deemed to have been denied. No proceeding to review any order of the Commission shall be brought by any person unless such person shall have made application to the Commission for a rehearing thereon.

(b) Any party to a proceeding under this chapter aggrieved by an order issued by the Commission in such proceeding may obtain a review of such order in the circuit court of appeals of the United States for any circuit wherein the natural-gas company to which the order relates is located or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within sixty days after the order of the Commission upon the application for rehearing, a written petition praying that the order of the Commission be modified or set aside in

whole or in part. A copy of such petition shall forthwith be served upon any member of the Commission and thereupon the Commission shall certify and file with the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission in the application for rehearing unless there is reasonable ground for failure so to do. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence, is material and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence

so taken, and it shall file with the court such modified or new findings, which if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 346 and 347 of Title 28, as amended.

(c) The filing of an application for rehearing under subsection (a) shall not, unless specifically ordered by the Commission, operate as a stay of the Commission's order. The commencement of proceedings under subsection (b) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order. June 21, 1938, c. 556, Sec. 19, 52 Stat. 831.

APPENDIX B**SENATE CONCURRENT RESOLUTION NO. 7
BY: MR. HENDRICK****ORIGINATED
IN THE
SENATE.**

(SIGNED) ROBT. A. GILBERT,
Secretary of the Senate.

(SIGNED) LEE L. LAYCOCK,
Clerk of the House.

Senate Concurrent Resolution No. 7. By: Mr. Hendrick
A Senate Concurrent Resolution.

WHEREAS, it is estimated by the federal departments and agencies that of the nation's reserves of mineral fuel resources, in terms of British themal units, coal constitutes 98.9 per cent, petroleum one-tenth of one per cent, natural gas one-tenth of one per cent, and oil in shales nine-tenths of one per cent; and

WHEREAS, from 40 to 50 per cent of these mineral fuel reserves are located in that portion of the country lying north of the Ohio and Potomac Rivers and east of the Mississippi River, and but three and two-tenths per cent of such reserves are located in that area usually referred to as the Southwest, comprising the states of Arkansas, Louisiana, Oklahoma and Texas; and

WHEREAS, federal agencies report that for the year 1940 Louisiana produced 343,191 millions of

cubic feet of natural gas, of which 174,366 millions of cubic feet, or 50.80 per cent of the total production, were exported to other states; and

WHEREAS, it is estimated by various federal authorities and agencies that at the 1940 rate of consumption of mineral fuels, the nation's coal reserves are sufficient to last for several thousands of years, while based upon the consumption in the same period the natural gas reserves of the nation will be exhausted in from twenty to thirty years; and

WHEREAS, there are presently on file with and pending before the Federal Power Commission numerous applications for certificates of public convenience and necessity for authorization to construct and operate new and additional natural gas pipe lines having aggregate capacities of many hundreds of millions of cubic feet of gas per day, whose function it will be to transport gas from the fields of the Southwest, including Louisiana, to the great industrial sections of the North and East, located in areas in or closely adjacent to the great coal deposits of those sections of the country, which have for many years been supplied with their fuel requirements by said coal fields; and

WHEREAS, the Federal Power Commission in its report for the year 1940 expresses deep concern with the constantly increasing rate of natural gas withdrawals from the fields of the Southwest, questioning

not only the economic wisdom of such unrestricted withdrawals of gas and its transmission for great distances as a substitute for coal, but expressing apprehension as well as to the effect of such withdrawals of gas on the potentially recoverable reserves of petroleum, through geologic processes; and

WHEREAS, the accelerated depletion of the natural gas reserves of Louisiana will constitute a most serious handicap and bar to the normal industrial development of the state, and now, therefore

BE IT RESOLVED by the Senate of the State of Louisiana, the House of Representatives concurring, that cognizance is hereby taken by the Legislature of Louisiana of the official utterances of the Federal Power Commission, the United States Geological Survey, the National Resources Committee, as well as of other recognized federal authorities, expressing concern over the present unrestricted, unrestrained and indiscriminate withdrawals of gas from the nation's natural gas reserves; and, be it further

RESOLVED that the Legislature of Louisiana hereby approves and commends the announced policy of the Federal Power Commission to inquire into the economic need and justification for, and the geologic consequences of, construction of additional natural gas pipe lines, and especially those projected to areas and

sections of the United States lying immediately in or reasonably adjacent and accessible to the great coal deposits of the nation; and be it further

RESOLVED, that the Department of Conservation of the State of Louisiana and the Louisiana Public Service Commission be and they are hereby directed and authorized to appear before the Federal Power Commission in any and all proceedings before said Commission involving applications for certificates of Public Convenience and Necessity for the construction of additional natural gas pipe lines, or for authority to enlarge the capacity of existing pipe lines, where the supply of gas for transmission by such pipe lines, in whole or in part, originates in the State of Louisiana; and to make such representation to the Federal Power Commission in respect of such applications as may be consistent with this declaration of policy by the Legislature of Louisiana.

(Signed) MARC M. MOUTON
Lieutenant Governor and President of
the Senate.

(Signed) R. NORMAN BAUER
Speaker of the House of Representatives

Baton Rouge, Louisiana

June 2, 1942.